March 3, 2020

Written testimony from
Connecticut Society of Eye Physicians
Connecticut Dermatology and Dermatologic Surgery Society
Connecticut ENT Society
Connecticut Urology Society
on
RAISED BILL NO. 5366 (LCO NO. 2027)

More than 2/3rds of US adults use prescription drugs. Currently, one in four people taking prescription drugs report not being able to afford their medication. Thus, the cost of prescription drugs has become a "hot button" issue with consumers and policymakers.

This bill aims to address the rising cost of prescription drugs with 5 important reforms to the way in which prescription drug purchasing is regulated in the state of Connecticut. The bill:

1. Caps out-of-pocket spending at $250/mo per beneficiary for prescription drugs.

   Currently the average US adult spends about $180 per year on prescription drugs. However, some Americans – particularly those with common chronic diseases like diabetes, heart disease, and cancer –must spend significantly more. This bill attempts to level the playing field for consumers, by capping their out-of-pocket spending at $250/month, or $3,000 per year. This reform is an important step to curb drug costs, and will positively impact patients' ability to pay for the medications they desperately need.

2. Helps to control wholesale drug price inflation of drug costs by limiting the annual rate of increase to not exceed the 2% of the previous year's consumer price index. Prescription drugs have become astronomically more expensive over time. Inflation-adjusted retail drug prices increased 1000% from 1960-2010, and the trend has only worsened in recent years: e.g. in 2014, prescription drug spending increased by 11.5%; in 2015 by 8.1%; in 2018 by 7.8%; and in 2019 by 13.1%. This rate of inflation in drug spending is not sustainable. By limiting the annual increase in wholesale drug costs, this bill has potential to keep drug costs in check and on pace with inflation.
3. Requests permission from the Federal government to implement a Canadian drug reimportation program in the state of Connecticut.

   In December 2019, President Trump unveiled a plan to allow states to buy cheaper drugs from Canada. This bill authorizes the Commissioner of Consumer Protection to explore this option in Connecticut. Reimporting pharmaceutical products from Canada helps to circumvent the pharmaceutical industry's tactic of setting wildly different drug prices in different health care

markets. We support allowing wholesalers to import lower cost pharmaceuticals from Canadian suppliers, with appropriate oversight from the Commissioner of Consumer Protection.

4. Ensures transparency when pharmaceutical manufacturers work behind the scenes to block the introduction of generic substitutes; and penalizes this behavior.

   As an ophthalmologist, I have witnessed an unprecedented number of generic "drug shortages" in the last year alone. The following shortages are currently (or have recently) impacted the availability of generic medications in all commonly used ophthalmic drug classes, including:

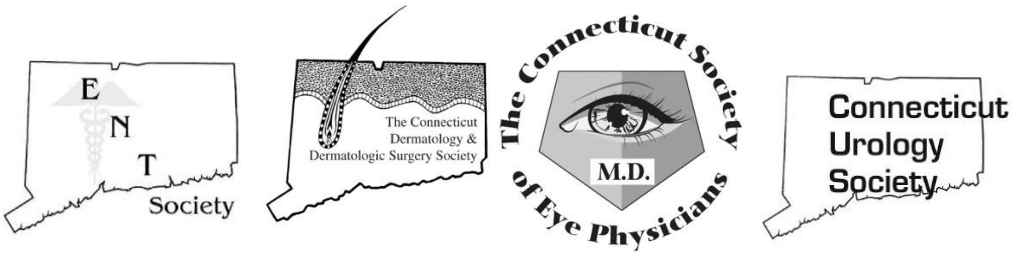
   - anti-inflammatory eye drops (e.g. prednisolone acetate)
   - sight-saving glaucoma medications (e.g. dorzolamide and timolol-dorzolamide, and latanoprost)
   - antibiotics (bacitracin and erythromycin ophthalmic ointments) and antiviral eye drops (trifluridine)
   - dilating drops (atropine sulfate)
   - diagnostic drugs (fluorescein strips and injections)
   - intraocular anti-VEGF injections (bevacizumab)
   - intraocular steroid injections (triamcinolone)

   These shortages often coincide with the introduction of new brand name drugs, or a sharp rise in branded drug costs in the same drug class. We have long suspected that these shortages arise as a result of "pay for delay" agreements between pharmaceutical manufacturers.

   We hope that this bill will increase transparency whenever pharmaceutical companies negotiate with one another to withhold generic competition from the marketplace. This bill also allows the Commissioner of Consumer Protection to penalize this practice, by compelling pharmacy benefit managers to reduce the cost of brand name prescription drugs that are the subject of these nefarious agreements.

5. Establishes a Critical Drug Shortage Review Board with the power to declare prescription drug pricing emergency.

   One of the major issues with drug shortages is that they are poorly publicized by the pharmaceutical industry and shrouded in secrecy. As a result, busy practitioners may be unaware when prescribing a drug which has suddenly become unavailable. The response is often to switch the patient to a more expensive branded medication that is available, further contributing to the drug cost crisis. By establishing a Critical Drug Shortage Review Board, we can increase awareness and communication about these shortages and ensure a coordinated response involving government, health care providers, patient advocates, and pharmacy benefit managers.



6. Prevents health carriers from removing prescription drugs from their formulary, or moving them into a different cost-sharing tier, during the policy year.

   Patients need consistent access to their medications. In recent years, health carriers and pharmacy benefit managers have increasingly employed “bait and switch” tactics, whereby they include drugs on their formulary during the open enrollment period to entice consumers, only to change their formulary (e.g. moving medications from a lower- to a higher-cost tier) later on during the policy year. This practice must stop as it can result in sudden and dramatic increases in out-of-pocket expenses for prescription drugs.

In summary, we are united in enthusiastic support of all provisions within the proposed legislation.